



Convenience Fees

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CONVENIENCE FEES

- Current Operations and Cost
- City Comparisons
- Options
- Recommendation
- Questions



CURRENT CITY OF LODI PAYMENT VENDORS

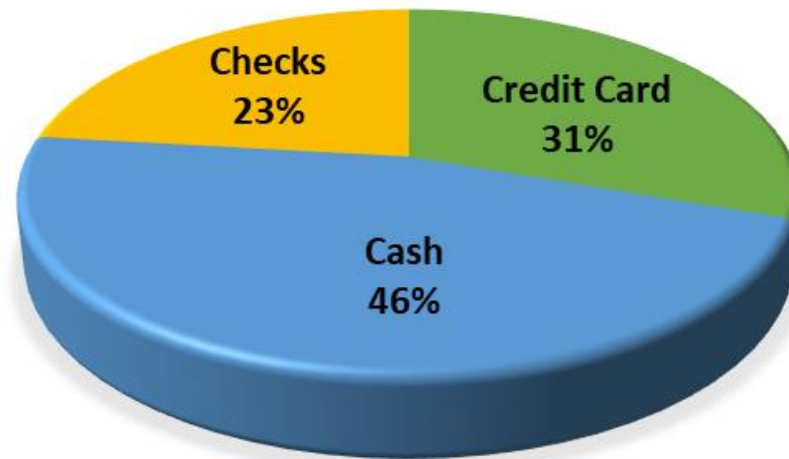
- iPay/SEW – Billing
 - Utility Billing Payments
- OpenEdge – CityWide Payments
 - Animal Services, Transit, Public Works, Police
- CardKnox - Community Development
 - Permit Fees
- AudienceView – PRCS
 - Theater Ticketing Platform – Fee passed to customers
- ActiveNet – PRCS – Fee passed to customers
 - Program Fees

CURRENT CONVENIENCE FEE COSTS

Average Transactions and Cost Per Year		
Vendor	Average Transactions Per Year	Cost Per Year
iPay/SEW	273,000	\$ 934,000
OpenEdge CityWide	8,660	\$ 234,000
CardKnox Community Development	830	\$ 87,000
Totals	282,490	\$ 1,255,000

FRONT COUNTER PAYMENTS BY TYPE

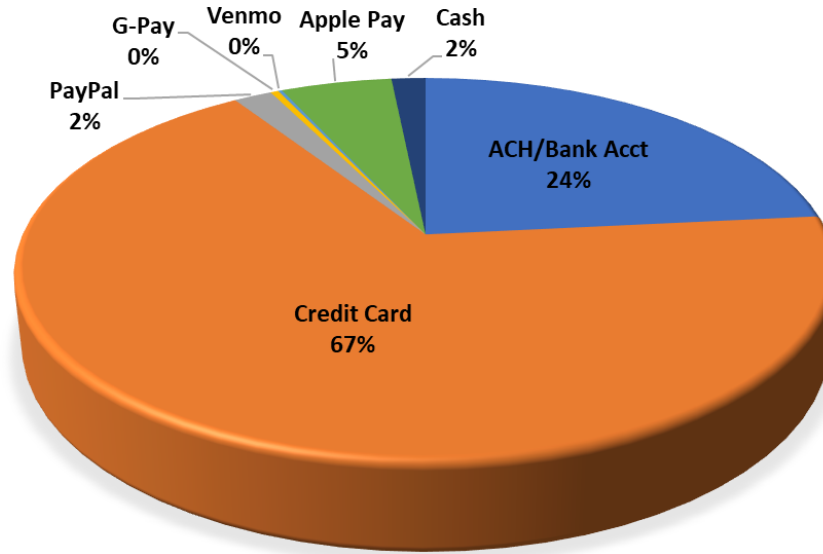
COUNTER 2025 PAYMENT METHOD TOTAL



ALL DEPARTMENTS FRONT COUNTER 2025													
PAYMENT METHOD	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
CARD	856	742	959	936	800	953	941	845	911	975	729	872	10,519
CASH	1,541	1,360	1,422	1,350	1,237	1,424	1,436	1,269	1,301	1,320	1,192	1,193	16,045
CHECK	976	557	629	637	575	677	682	558	664	752	666	634	8,007
TOTAL	3,373	2,659	3,011	2,923	2,612	3,054	3,059	2,672	2,876	3,047	2,587	2,699	34,572

ONLINE/KIOSK PAYMENTS BY TYPE

ONLINE/KIOSK 2025 PAYMENT METHOD TOTAL



UTILITIES ONLINE AND KIOSK 2025

PAYMENT METHOD	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
ACH/BANK ACCT	5,005	4,525	5,698	4,682	4,920	5,422	5,421	5,619	5,352	5,726	5,653	5,958	63,981
CARD	15,476	14,268	16,895	14,822	15,170	15,871	16,288	15,901	14,761	15,272	14,762	14,717	184,203
PAYPAL	401	352	569	377	382	413	410	402	399	388	408	421	4,922
GPAY	82	75	85	75	79	87	90	84	90	94	94	90	1,025
Venmo	37	33	35	36	43	41	53	49	45	52	41	35	500
APPLE PAY	1,158	1,057	1,256	1,055	1,108	1,182	1,181	1,233	1,253	1,316	1,287	1,226	14,312
CASH	330	316	407	409	363	380	369	405	382	343	343	336	4,383
TOTAL	22,489	20,626	24,945	21,456	22,065	23,396	23,812	23,693	22,282	23,191	22,588	22,783	273,326

WHAT DO OTHER CITIES DO?

City of Stockton	City of Sacramento	City of Davis	City of Hughson	City of Fairfield	City of Galt	City of Elk Grove
3rd Party Utility Biller Charges 3% to 3.5% per transaction	All Credit Card Charges Passed to Customer	Minimum Credit Card amount \$2.75 Maximum \$9.50	Flat \$1.75 per credit card transaction	Minimum Credit Card amount \$2.95 Maximum \$500	2% Credit Card Processing Fee	3rd Party Utilities only take Cash, Checks, and EFT
ACH Payments \$2.99 to \$3.99 Per Transaction				Misc. Payments 3%		Elk Grove Water District 3rd Party Biller Charges Convenience Fee

OPTIONS

- **Option 1: Status Quo**
 - No change; City continues to absorb all convenience fees
- **Option 2: Partial Cost Recovery**
 - Direct third-party payment processors to pass a standardized convenience fee (percentage of transaction) to customers
 - City absorbs any remaining balance not covered by the fee
- **Option 3: Full Cost Recovery**
 - Require third-party payment processors to pass all convenience fees to customers
 - Fee structure may be a flat rate or percentage, depending on vendor

RECOMMENDATION FROM STAFF

- **Option 3: Full Cost Recovery**
 - Implement a policy to pass convenience fees to customers
 - Require all applicable vendors to pass through processing fees
 - Achieve estimated annual savings of approximately **\$1,255,000** to the City

QUESTIONS?

